

Buyer's guide for CDP:

Selecting the right Customer Data Platform for your organization



In today's competitive buying market, customers have access to more content, purchasing channels, and brand options than ever before. With such an overload of information and choices available, businesses can no longer survive by simply providing the bare minimum necessary to keep customers from leaving. Instead, they must demonstrate that they both understand and value their customers, delivering exceptional experiences and outcomes.

The ability to deliver exceptional experiences at scale requires a complete, unified view of customers from both transactional and behavioral data that enables intelligent, actionable insights across marketing, sales, and service – something that many companies still struggle to achieve and results in poor, disjointed customer experiences. This is where the Customer Data Platform (CDP) is helping evolve the customer experience landscape, providing organizations with the means to not only gain a deep understanding of their customers, but to then leverage insights that power proactive action and meaningful engagement throughout every touchpoint.

What does a CDP do?

With the ability to consume, unify, and organize customer data from multiple sources, CDPs provide holistic customer profiles and management, support real-time customer segmentation, and can integrate customer data with other systems for even greater actionability.

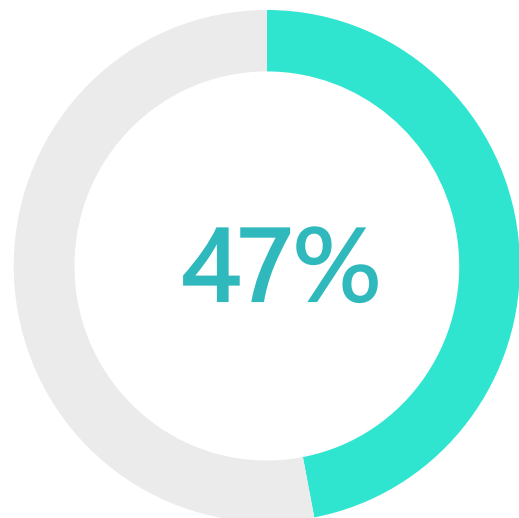
While several providers today refer to their product as CDPs, very few actually have the capabilities that qualify as a true Customer Data Platform. Many have offerings that are primarily analytics or engagement based, but lack the rich data unification and synthesis that defines a true CDP. With increasing pressure on organizations to provide deep personalization and unique experiences at every stage of the customer journey, the need for richer data platforms is mounting – and vendors are scrambling to get on the bandwagon whether they have the necessary capabilities or not.

With enormous volume of data being generated from various channels and touchpoints, it often remains siloed across multiple systems and organizational departments, making it difficult to gain a single source of truth. The greatest advantage of a genuine CDP is the ability to combine customer data from all sources into unified customer profiles, derive valuable insights, and immediately share those insights out to other systems and resources to enable action. The sheer speed and volume at which CDPs can unify, ingest, process, and output the data enables organizations to act proactively at the fast pace necessary today to be effective and maintain a competitive advantage. Without this, insights derived from customer data are often incomplete or have already become irrelevant by the time they're surfaced.



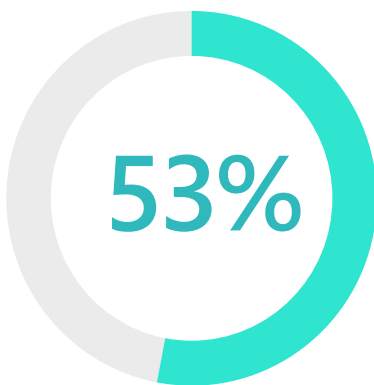
What are the business values?

CDPs offer organizations the opportunity to engage customers with more meaningful, intelligent experiences, while streamlining the capabilities of marketing, sales, and service teams to make their efforts more effective. It currently takes organizations far too long to analyze and determine the impact of a campaign or tweaks made to the customer experience – 47 percent say it takes more than a week,¹ which is an eternity in today's fast-paced buying market.



With the addition of a Customer Data Platform, organizations can:

Maintain a competitive edge – Of organizations already utilizing a CDP, 53 percent report that the transparency they achieve with these platforms allows them to react quicker and more proactively to fluctuations in markets or customer preferences,² enabling them to remain competitive in this increasingly aggressive economy.



Achieve a deeper understanding of customers – CDPs give organizations unified, on-demand access to customer data pulled together from a range of initiatives and interactions (like online engagement, advertising campaigns, purchasing histories, and customer service calls), providing greater visibility into their customers' needs. With this enhanced,

360-degree view of customer behaviors and preferences across all touchpoints, organizations can create more detailed segments to provide the highly relevant experiences that customers demand and drive increased conversions.

Drive loyalty and retention – With a 360-degree customer view comes the ability to also cultivate deeper and lasting relationships with customers through intelligent service, product recommendations, and loyalty incentives. This not only helps increase overall customer satisfaction throughout the entire journey, but drives retention and greater customer lifetime values. More than 44 percent of customers report they are likely to repeat business with a brand that understands them and provides a personalized experience³

Measure the success of initiatives – Until now, the data leveraged for customer experience efforts was primarily drawn from straightforward customer actions like website clicks or purchase histories. CDPs now enable organizations to gather and interpret much larger volumes of data, allowing for more accurate visibility into the success of their engagement efforts and to make better informed business decisions.

Choosing the right CDP for your business

A CDP provides entire organizations with the data-driven insights needed to engage customers when and how they want, across all touchpoints and channels. The enormous volumes of data being generated by customers today requires more power than ever in order to manage, interpret, and act on it at scale. It's no longer a question of *if* organizations need a CDP, but *which one* do they choose. Let's take a look at some of the key functionalities to consider in selecting a CDP.

CDP Evaluation Checklist:

- ☑ **Unify data**
- ☑ **Standardize data**
- ☑ **Enrich profiles**
- ☑ **Derive insights**
- ☑ **Take action**
- ☑ **Adapt and extend**
- ☑ **Leverage partner ecosystem**
- ☑ **Build trust**

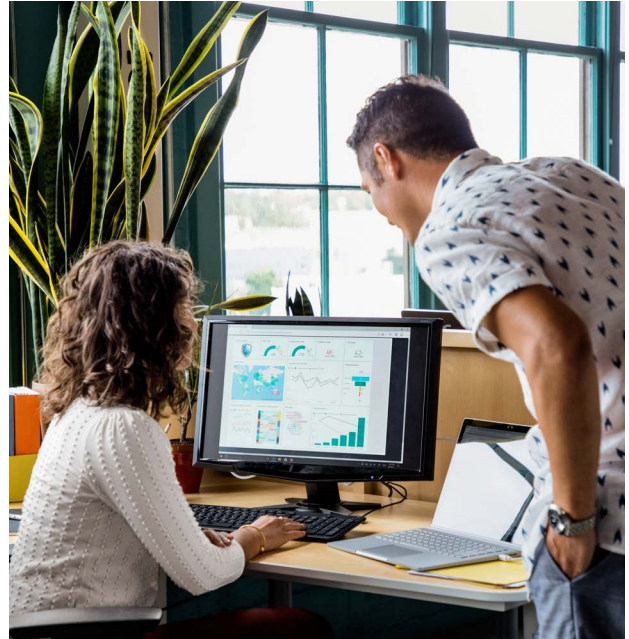


☑ **The core function of a CDP should be to **unify data** to gain a 360-degree view of the customer with ability to:**

- o Bring in all your data from disparate sources to eliminate silos and create a common data estate
- o Leverage pre-built connectors to seamlessly ingest data from a myriad of sources and integrate with all channels of customer interactions, be it transactions, website and mobile engagement, email, or customer service calls
- o Reconcile conflicting data and combine customer information that resides in multiple data sets, on an attribute-by-attribute basis, to create a more complete customer profile
- o Track every customer activity, both offline and online, and show a complete customer journey timeline across all channels

☑ **A CDP should be able to **standardize data** into a common data model to:**

- o Build federated customer data with standardized data schemas across different systems and services including Artificial Intelligence (AI), Business Intelligence (BI) and business processes
- o Integrate easily to popular customer engagement applications using open schemas and extensibility



☑ **Have the ability to **enrich profiles** with first and third-party data so you can:**

- o Gain a holistic view of customers with first-party and known data such as customer contact information, purchase transactions, subscription sign-ups, and ongoing customer communications
- o Build richer customer segments with third-party data (social media, website activity, browser history, subscriptions, location, and demographics) and unstructured data (IoT data, email interactions, video and audio files, images)
- o Enhance customer profiles continually as new data arrives and use derived insights to drive better match rates, higher accuracy, and precision over time

☑ **Should **derive insights** that enable you to make more informed decisions and:**

- o Create or discover new customer measures and segments based on historical data
- o Define and configure KPIs to monitor the health of the business and customer relationships
- o Leverage out-of-the-box AI and ML to predict customer intent with configurable models, minimal data science expertise, and no coding
- o Integrate your own custom AI and ML models for more advanced use cases that are specific to your business or industry needs



☑ **Enables you to **take action** and **personalize experiences** with the ability to:**

- o Deliver real-time, cross-channel, and data-driven engagement across marketing, sales, and service
- o Execute direct marketing campaigns via email or other notifications, with direct integration to external platforms
- o Leverage data, scores, or decisions signals in real time
- o Power proactive actions that guide business processes based on AI and ML-infused insights

☑ **Can be **adapted and extended** to meet your unique business needs through:**

- o Design and integration of custom applications
- o Tight integration requiring little to no code to build line of business applications
- o Development of custom dashboards and reports that enable deeper insights

☑ **Provides you with the ability to tap into a **partner ecosystem** for additional customizations with:**

- o Access to a greater network of industry experts and partners for extensibility and development of customizations for your environment
- o Minimized IT workloads leveraging out-of-the box partner integrations that handle customizations

☑ **Helps **build trust** with the highest standards for data security and compliance, providing:**

- o Support for data privacy, cloud security, and GDPR compliance
- o Scalability to process enormous volumes of data while safeguarding against data loss
- o Control over your own data and enterprise-ready security with built-in governance tools
- o Data encryption between all integrated systems, along with secure authentication to protect from external attacks



Dynamics 365 Customer Insights

Among the true Customer Data Platforms, Dynamics 365 Customer Insights stands out with an even greater depth of capabilities. Unlike other CDPs, Customer Insights is a guided, self-service solution that enables faster time to value with zero to minimal consulting engagement – freeing up time, costs, and resources typically required from IT.

Your organization can effortlessly connect data from every source of interaction and intelligently transform fragmented data into a complete view of your customers. Atop a unified data estate, Customer Insights utilizes analytics, artificial intelligence, and machine learning to create 360-degree customer profiles with actionable insights, adding proprietary customer data enrichment through Microsoft Graph for more complete customer segments.

Customer Insights arms employees with a single source of truth right within the

business applications they use every day – including seamless, pre-built integration with the rest of the Dynamics 365 marketing, sales, and service applications that many organizations already leverage. You can run analytics on your data estate through Microsoft Power BI, build custom line of business applications through Microsoft PowerApps, and leverage intelligent insights to trigger business processes in Microsoft Flow. Additional extensibility is made possible through a large ecosystem of Microsoft partners to help you optimize and tailor solutions that address specific industry or business needs, maximizing the capabilities of your marketing, sales, and service departments.

Get a 360-degree view of customers

Customer Insights enables complete data unification from a diversity of data sources – including transactional, behavioral, and observational data – to generate holistic customer profiles with intelligent segmentation capabilities. It seamlessly integrates with both third-party business applications, as well as Dynamics 365 customer engagement, Microsoft AI, and analytics tools, providing both the insights necessary to be effective and the means to act upon them. Open APIs mean that organizations can easily connect to any

workflow or business process engine without complex configurations or coding.

Unlock AI-powered insights

Pre-built AI templates (e.g., churn analysis) help your organization immediately generate insights from unified data, or you can easily extend the solution with custom AI models based on your organization's specific needs. After running AI models, the customer profile is enhanced to allow for personalized engagement and intelligent business processes. Easily take action on these AI-driven insights by connecting to Power BI, PowerApps, Flow, Dynamics 365, and other external applications. For example, if a customer's churn score goes up by 10 percent, you can initiate a win-back campaign that starts with a personalized email offer.

Innovate and adapt your solution

Customer Insights includes out-of-the-box integration and templates for Microsoft Azure-based machine learning, Power BI, and PowerApps for even richer data processing and customizations, along with access to the rich Microsoft partner ecosystem for development of custom applications and solutions to fit specific industry or business needs. Built on Microsoft Azure, Customer Insights is protected by the strictest

compliance and security standards so all of the data being ingested is kept safe and adheres to GDPR regulations.



Invest with confidence

With Customer Insights, you maintain control of your customer data. Other CDP solutions unify the data and lock it up. With Customer Insights, your organization has full access through the APIs.

Furthermore, because Customer Insights is a prebuilt SaaS application, organizations can get started immediately and easily tailor the solution for individual needs. To address advanced scenarios, you can access the Azure data lake and utilize the full Microsoft stack. Developer and data scientist tooling in Azure and Visual Studio provide low code/no code capabilities through Microsoft Power Platform, and information and firstline worker tools from Office 365 come together to create a full value chain of capabilities so organizations can invest with confidence.



To learn more, visit the Dynamics 365 Customer Insights [website](#).

1. [Forbes](#)
2. [Forbes](#)
3. [Business Insider](#)